



HOLDING COMPANY

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December 24, 2009

Jennifer J. Johnson
Secretary
Board of Governors of the
Federal Reserve System
20th St. and Constitution
Avenue, NW.
Washington, DC 20551

VIA ELECTRONIC SUBMISSION

Re: FRB Docket No. R-1367

Dear Ms. Johnson:

This letter is in response to the request for comments on the proposed rule amending Regulation Z's rules for home-equity lines of credit (HELOCs).

Overall, we are supportive of the Federal Reserve's efforts to promote better consumer understanding of HELOCs via enhanced disclosures. Our comments are brief and are limited to termination.

The Board has asked if failure to make a payment within 30 days is the appropriate threshold for allowing termination of a HELOC. We believe 30 days is appropriate and is consistent with other consumer protections. For example, under the Uniform Consumer Credit Code a lender must wait 30 days before taking action against a consumer in default for failure to make a payment (10 days from the date a required payment is due the lender must provide notice to the borrower with a 20 day right to cure the default).

Regarding reinstatement - the Board has requested comment on whether the regulation should require ongoing monitoring in all cases for suspended HELOCs. We strongly believe that the rule's currently flexibility should be retained. We want our lines to be open, active, and repaying. As such, we want any suspended lines to be reinstated as soon as possible. However, mandated ongoing monitoring would be complicated and excessively burdensome.

As you know, there are numerous possible circumstances when a HELOC may be suspended. Creating systems and procedures to monitor and address all these scenarios would be very difficult. Additionally, even a fairly

simple scenario such as monitoring and addressing a decline in property value will be complex and involve significant expense (e.g. what lines are eligible, how often do we assess the value, how do we assess the value, who performs the equity calculations, who monitors the outcome, how do we communicate the result to the borrower, etc.). On a case-by-case basis these issues are manageable. However, managing an entire portfolio is another matter.

Thank you for your consideration.

Sincerely,

Jeff Asher, CRCM
Senior Vice President